
UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934

Date of report (Date of earliest event reported): June 12, 2020

California Resources Corporation

(Exact Name of Registrant as Specified in its Charter)

Delaware

(State or Other Jurisdiction of
Incorporation)

001-36478

(Commission
File Number)

46-5670947

(IRS Employer
Identification No.)

27200 Tourney Road

Suite 200

Santa Clarita

California

(Address of Principal Executive Offices)

91355

(Zip Code)

Registrant's Telephone Number, Including Area Code: (888) 848-4754

N/A

(Former Name or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

Title of each class

Common Stock

Trading Symbol(s)

CRC

Name of each exchange on which registered

New York Stock Exchange

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (17 CFR §230.405) or Rule 12b-2 of the Securities Exchange Act of 1934 (17 CFR §240.12b-2).

Emerging growth company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Item 1.01 Entry into a Material Definitive Agreement.

On June 12, 2020, California Resources Corporation (the “**Company**”) and certain of its subsidiaries entered into amendments (collectively, the “**Amendments**”) with respect to those certain forbearance agreements, dated June 2, 2020 (collectively, as amended, the “**Forbearance Agreements**”) with:

- certain lenders (collectively, the “**2014 Lenders**”) representing a majority of the outstanding principal amount of the loans under its Credit Agreement, dated as of September 24, 2014 (as amended, the “**2014 Credit Agreement**”), by and among the Company, as the Borrower, the subsidiary guarantors party thereto, the various Lenders identified therein, JPMorgan Chase Bank, N.A., as Administrative Agent, a Lender and a Letter of Credit Issuer, and Bank of America, N.A., as a Lender and a Letter of Credit Issuer;
- certain lenders (collectively, the “**2016 Lenders**”) representing a majority of the outstanding principal amount of the term loans under its Credit Agreement, dated August 12, 2016 (the “**2016 Credit Agreement**”), by and among the Company, as the Borrower, the various Lenders identified therein and The Bank of New York Mellon Trust Company, N.A., as Administrative Agent; and
- certain lenders (collectively, the “**2017 Lenders**”, and together with the 2014 Lenders and the 2016 Lenders, the “**Forbearing Parties**”) representing a majority of the outstanding principal amount of the term loans under its Credit Agreement, dated as of November 17, 2017 (as amended, the “**2017 Credit Agreement**”, and together with the 2014 Credit Agreement and the 2016 Credit Agreement, the “**Credit Agreements**”), by and among the Company, as the Borrower, the subsidiary guarantors party thereto, the various Lenders identified therein and The Bank of New York Mellon Trust, N.A., as Administrative Agent.

Pursuant to the Amendments, the Forbearing Parties agreed to extend the period in which they will forbear from exercising any remedies under the Credit Agreements with respect to the failure to make certain interest payments due on May 29, 2020 until the earlier of (a) 11:59 p.m. (New York time) on June 30, 2020 and (b) the date the Forbearance Agreements otherwise terminate in accordance with their terms. The Amendments also modified certain of the covenants with which the Company must comply during the forbearance period. The failure to comply with such covenants, among other things, would result in the early termination of the forbearance period.

The foregoing descriptions of the Amendments are summaries only and are qualified in their entirety by reference to the complete text of the Amendments which are attached hereto as Exhibits 10.1, 10.2 and 10.3, and each of them are incorporated by reference into this Item 1.01.

Item 9.01 Financial Statements and Exhibits

(d) Exhibits

Exhibit No.	Description
<u>10.1</u>	<u>First Amendment to Forbearance Agreement, dated as of June 12, 2020, by and among the Company, the subsidiary guarantors party thereto, certain Lenders identified therein, JPMorgan Chase Bank, N.A., as Administrative Agent, a Lender and a Letter of Credit Issuer, and Bank of America, N.A., a Lender and a Letter of Credit Issuer.*</u>
<u>10.2</u>	<u>First Amendment to Forbearance Agreement, dated as of June 12, 2020, by and among the Company, as the Borrower, the subsidiary guarantors party thereto, the various Lenders identified therein and The Bank of New York Mellon Trust Company, N.A., as Administrative Agent.*</u>
<u>10.3</u>	<u>First Amendment to Forbearance Agreement, dated as of June 12, 2020, by and among the Company, as the Borrower, the subsidiary guarantors party thereto, the various Lenders identified therein and The Bank of New York Mellon Trust Company, N.A., as Administrative Agent.*</u>
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)

* Certain portions of this exhibit (indicated by “[*****]”) have been omitted pursuant to Item 601(b)(10) of Regulation S-K.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

California Resources Corporation

/s/ Roy Pineci

Name: Roy Pineci

Title: Executive Vice President, Finance

DATED: June 15, 2020

Certain portions of this exhibit (indicated by “[*****]”) have been omitted pursuant to Item 601(b)(10) of Regulation S-K.

Execution Version

FIRST AMENDMENT TO FORBEARANCE AGREEMENT

THIS FIRST AMENDMENT TO FORBEARANCE AGREEMENT (this “**Agreement**”) is entered into as of June 12, 2020, by and among CALIFORNIA RESOURCES CORPORATION, a Delaware corporation (the “**Borrower**”), the other Guarantors party hereto (the “**Guarantors**”), JPMORGAN CHASE BANK, N.A., as administrative agent for the Lenders (in such capacity, the “**Administrative Agent**”) and the Lenders party hereto (the “**Forbearing Lenders**”).

WITNESSETH:

WHEREAS, the Borrower, the Forbearing Lenders and the Administrative Agent are parties to that certain Credit Agreement, dated as of September 24, 2014 (as amended, restated, supplemented or otherwise modified prior to the date hereof, the “**Credit Agreement**”);

WHEREAS, in connection with the Credit Agreement, the Borrower, the Administrative Agent and the Majority Lenders entered into that certain Forbearance Agreement dated as of June 2, 2020 (the “**Forbearance Agreement**”; unless otherwise defined herein, capitalized terms used herein that are not otherwise defined herein shall have the respective meanings assigned to such terms in the Forbearance Agreement or the Credit Agreement, as applicable); and

WHEREAS, subject to the terms and conditions set forth herein, the parties hereto wish to amend the Forbearance Agreement to, among other things, extend the Forbearance Termination Date.

NOW, THEREFORE, in consideration of the mutual agreements, provisions and covenants contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. Acknowledgments and Amendment.

(a) Each Credit Party acknowledges and agrees that (i) each Acknowledged Event of Default is material in nature and constitutes an Event of Default under the Credit Agreement, and (ii) as a result of the occurrence of such Events of Default, the Forbearing Lenders will, subject to the Forbearance Agreement, be entitled to accelerate all Loans and the First Out Obligations owing under the Credit Agreement and to exercise all rights and remedies under the Credit Documents, applicable law or otherwise, so long as such Acknowledged Event of Default is continuing. The Borrower further acknowledges and agrees that the Administrative Agent and Forbearing Lenders are not in any way agreeing to waive such Acknowledged Events of Default as a result of this Agreement or the performance by the parties of their respective obligations hereunder. Without limiting any other provision of this Agreement, each Credit Party further acknowledges and agrees that during the Forbearance Period and following any Forbearance Termination Event, Events of Default shall be continuing, and the Credit Parties shall not, and shall not permit any Subsidiary to, take or cause any Person to take any action that is conditioned on no Default or Event of Default existing at the time of, or immediately after giving effect to, the taking of such action.

(b) Clause (b) of the definition of “Forbearance Termination Date” is hereby amended by replacing the phrase “June 14, 2020 at 11:59 p.m. New York time” therein with the phrase “June 30, 2020 at 11:59 p.m. New York time”.

(c) Section 2(d)(vi) of the Forbearance Agreement is hereby amended by inserting the phrase “other than the cash payment in full of overdue interest on the Senior Notes in an amount not more than \$4,400,000 on or before June 15, 2020” at the beginning thereof.

(d) Section 2(d)(ix) of the Forbearance Agreement is hereby amended by replacing the phrase “\$48 million” therein with the phrase “\$40 million”.

2. Conditions. The effectiveness of this Agreement is subject to the satisfaction of the following conditions precedent (the date on which such effectiveness occurs, the “**Amendment Effective Date**”):

(a) the Administrative Agent shall have received this Agreement duly executed by the Borrower, the Guarantors, the Administrative Agent and Lenders constituting at least the Majority Lenders;

(b) the Administrative Agent shall have received a certificate of an Authorized Officer of the Borrower certifying that the representations and warranties of the Borrower set forth in Section 3 hereof are true and correct in all respects;

(c) the Administrative Agent and the Forbearing Lenders (and their respective advisors) shall have been paid all expenses required to be paid hereunder or under any other Credit Document to the extent invoiced at least two (2) Business Days prior to the Amendment Effective Date; and

(d) the Administrative Agent shall have received executed amendments to the Other First Lien Forbearance Agreements, in each case, in form and substance reasonably acceptable to the Administrative Agent and the Forbearing Lenders, which amendment shall provide for an extension of the “Forbearance Termination Date” under the Other First Lien Forbearance Agreements to a date coterminous with the Forbearance Termination Date (as extended by this Agreement) and a reduction of the minimum aggregate book cash balances to \$40 million.

3. Representations and Warranties. Each Credit Party hereby represents and warrants to the Administrative Agent as of the Amendment Effective Date as follows:

(a) the execution, delivery and performance by each Credit Party of this Agreement: (i) are within such Person’s corporate, limited liability company or company power, as applicable; (ii) have been duly authorized or approved by all necessary corporate, exempted company, limited liability company or company action, as applicable; (iii) do not contravene, violate, conflict with, or cause a breach or default under any provision of such Person’s organization documents; (iv) do not violate any laws, or any order or decree of any court or Governmental Authority in any material respect; (v) do not require the consent or approval of any Governmental Authority, except consents or approvals with or by any Governmental Authority which have already been obtained, taken, given or made; and (vi) do not result in the creation of any Lien on any property of such Credit Party;

(b) this Agreement has been duly executed and delivered by each Credit Party and this Agreement constitutes a legal, valid and binding obligation of such Person enforceable against it in accordance with its respective terms, except as enforceability may be limited by applicable bankruptcy, insolvency, fraudulent conveyance or similar laws affecting the enforcement of creditors’ rights generally or by equitable principles relating to enforceability;

(c) after giving effect to this Agreement and the transactions contemplated hereby, each representation or warranty by any Credit Party contained in the Credit Agreement and the other Credit Documents (other than the representations and warranties set forth in (x) Section 9.20 of the Credit Agreement as it relates to the Acknowledged Events of Default, (y) Section 9.15 of the Credit Agreement and (z) solely with respect to circumstances or conditions disclosed to the Administrative Agent or the Forbearing Lenders prior to the Forbearance Effective Date, Section 9.9(c) of the Credit Agreement) are

true or correct in all material respects (unless such representations and warranties are already qualified by materiality, Material Adverse Effect or a similar qualification, in which case they are true and correct in all respects) on and as of the Amendment Effective Date with the same effect as though made on and as of such date (except where such representations and warranties expressly relate to an earlier date, in which case such representations and warranties shall have been true and correct in all material respects (unless such representations and warranties are already qualified by materiality, Material Adverse Effect or a similar qualification, in which case they are true and correct in all respects) as of such earlier date);

(d) no Default or Event of Default (other than the Acknowledged Events of Default) has occurred and is continuing or would result from the transactions contemplated by this Agreement;

(e) as of the date hereof, other than the Other First Lien Forbearance Agreements, no Third Party Forbearance Agreement (as defined below) exists between any Credit Party and any party;

(f) as of the Amendment Effective Date, there has been no change (i) in any Credit Party's legal name or (ii) in the location of any Credit Party's chief executive office, its principal place of business, any office in which it maintains books or records relating to Collateral owned by it or any of its offices or facilities at which Collateral owned by it is located (including the establishment of any such new office or facility), in each instance other than changes which have previously been disclosed in writing to the Administrative Agent; and

(g) since the Forbearance Effective Date, no Forbearance Termination Event has occurred.

4. **No Modification.** Nothing contained herein shall be deemed to directly or indirectly, (a) create any obligation to continue to defer any enforcement action after the Forbearance Termination Date, (b) constitute a consent or waiver of any past, present or future violations, including Defaults and Events of Default, of any provisions of the Credit Agreement or any other Credit Documents, (c) constitute a waiver of compliance with any term or condition contained in the Credit Agreement or any of the other Credit Documents or (d) constitute a course of conduct or dealing among the parties for altering any Obligations or any other contract or instrument. Except as expressly stated herein, the Lenders and the Administrative Agent reserve all of their respective rights, privileges, remedies and powers under the Credit Agreement, the other Credit Documents, applicable law and/or equity, including without limitation, any rights that the Lenders (including the Forbearing Lenders) may have to charge interest at the Default Rate under the terms of the Credit Agreement and/or the other Credit Documents. This Agreement shall not be deemed or construed to be a satisfaction, reinstatement, novation or release of the Credit Agreement or any other Credit Document. The Credit Agreement and other Credit Documents remain unmodified and in full force and effect. This Agreement shall constitute a Credit Document.

5. **Counterparts.** This Agreement may be executed in any number of counterparts and by different parties in separate counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one and the same agreement. Signature pages may be detached from multiple separate counterparts and attached to a single counterpart. Delivery of an executed signature page of this Agreement by facsimile transmission or electronic transmission shall be as effective as delivery of a manually executed counterpart hereof. Unless otherwise specified, each Lender's executed signature page to this Agreement constitutes such Lender's signature in all its capacities under the Credit Agreement.

6. **GOVERNING LAW. THIS AGREEMENT IS SUBJECT TO THE PROVISIONS OF SECTIONS 14.12, 14.13 AND 14.15 OF THE CREDIT AGREEMENT RELATING TO**

GOVERNING LAW, SUBMISSION TO JURISDICTION AND WAIVERS OF JURY TRIAL, THE PROVISIONS OF WHICH ARE BY THIS REFERENCE INCORPORATED HEREIN IN FULL.

7. Severability. Wherever possible, each provision of this Agreement shall be interpreted in such a manner as to be effective and valid under applicable law, but if any provision of this Agreement shall be prohibited by or invalid under applicable law, such provision shall be ineffective to the extent of such prohibition or invalidity, without invalidating the remainder of such provision or the remaining provisions of this Agreement.

8. Captions. The captions and headings of this Agreement are for convenience of reference only and shall not affect the interpretation of this Agreement.

9. Construction. This Agreement and all other agreements and documents executed and/or delivered in connection herewith have been prepared through the joint efforts of all of the parties hereto. Neither the provisions of this Agreement or any such other agreements and documents nor any alleged ambiguity therein shall be interpreted or resolved against any party on the ground that such party or its counsel drafted this Agreement or such other agreements and documents, or based on any other rule of strict construction. Each of the parties hereto represents and declares that such party has carefully read this Agreement and all other agreements and documents executed in connection therewith, and that such party knows the contents thereof and signs the same freely and voluntarily. The parties hereto acknowledge that they have been represented by legal counsel of their own choosing in negotiations for and preparation of this Agreement and all other agreements and documents executed in connection herewith and that each of them has read the same and had their contents fully explained by such counsel and is fully aware of their contents and legal effect.

10. Third Party Beneficiaries. This Agreement shall be binding upon and inure to the benefit of the parties hereto and thereto and their respective successors and assigns. No Person other than the Credit Parties, the Administrative Agent, the Forbearing Lenders and, in the case of Section 13 hereof, the Released Parties, shall have any rights hereunder or be entitled to rely on this Agreement and all third-party beneficiary rights (other than the rights of the Released Parties under Section 13 hereof) are hereby expressly disclaimed.

11. Majority Lender Direction. The Forbearing Lenders hereby (i) instruct the Administrative Agent to comply with this Agreement to the extent specified herein and to take the other actions (or refrain from acting), in each case, as expressly contemplated hereby and (ii) acknowledge and agree that (x) the direction set forth herein constitutes a direction from the Majority Lenders or the Required Revolving Lenders, as applicable, under the provisions of Article XIII of the Credit Agreement and (y) all sections of Article XIII of the Credit Agreement shall apply to any and all actions (and inactions) taken by the Administrative Agent in accordance with such direction.

12. Reaffirmation. By its signature set forth below, each Credit Party hereby ratifies and confirms to the Administrative Agent and the Lenders that, after giving effect to this Agreement and the transactions contemplated hereby, each of the Forbearance Agreement, the Credit Agreement, each Security Document and each other Credit Document to which such Credit Party is a party continues in full force and effect and is the legal, valid and binding obligation of such Credit Party, enforceable against such Credit Party in accordance with its terms, except as enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar laws relating to or limiting creditors' rights generally or by equitable principles and each Credit Party hereby ratifies and confirms each such Credit Document. Except as expressly set forth herein, the execution of this Agreement shall not operate as a waiver of any right, power or remedy of the Administrative Agent or Lenders, constitute a waiver of any provision of any of the Credit Documents or serve to effect a novation of the Obligations. Each Credit Party (i)

acknowledges receipt of a copy of this Agreement and all other agreements, documents and instruments executed and/or delivered in connection herewith, (ii) consents to the terms and conditions of same without prejudice to any Credit Party's liability pursuant to any of the Credit Documents, (iii) agrees and acknowledges that each of the Credit Documents remains in full force and effect, that such Credit Party's obligations thereunder are without defense, setoff and counterclaim and that each of the Credit Documents is hereby ratified and confirmed, and (iv) ratifies and reaffirms each waiver of such Credit Party set forth in the Credit Documents to which it is a party. Each Credit Party hereby acknowledges that it has reviewed and consents to the terms and conditions of this Agreement and the transactions contemplated hereby. In addition, each Credit Party reaffirms in all respects the security interests and Liens granted by such Credit Party in and to the Collateral under the terms and conditions of the Security Documents to secure the Obligations and agrees that such security interests and Liens remain in full force and effect and are hereby ratified, reaffirmed and confirmed in all respects.

13. **Releases.** By its execution hereof and in consideration of the mutual covenants contained herein and other accommodations granted to the Credit Parties hereunder, each Credit Party, on behalf of itself and each of its Subsidiaries, and its or their successors, assigns and agents, hereby expressly forever waives, releases and discharges any and all claims (including cross-claims, counterclaims, and rights of setoff and recoupment), causes of action (whether direct or derivative in nature), demands, suits, costs, expenses and damages (collectively, the "**Claims**") any of them may, as a result of actions or inactions occurring on or prior to the Amendment Effective Date, have or allege to have as of the date of this Agreement or at any time thereafter (and all defenses that may arise out of any of the foregoing) of any nature, description, or kind whatsoever, based in whole or in part on facts, whether actual, contingent or otherwise, now known, unknown, or subsequently discovered, whether arising in law, at equity or otherwise, against the Administrative Agent or any Forbearing Lender, their respective affiliates, agents, principals, managers, managing members, members, stockholders, "controlling persons" (within the meaning of the United States federal securities laws), directors, officers, employees, attorneys, consultants, advisors, agents, trusts, trustors, beneficiaries, heirs, executors and administrators of each of the foregoing (collectively, the "**Released Parties**") arising out of, or relating to, this Agreement, the Credit Agreement, the Forbearance Agreement, the other Credit Documents and any or all of the actions and transactions contemplated hereby or thereby, including any actual or alleged performance or non-performance of any of the Released Parties hereunder or under the Credit Documents. Each Credit Party hereby acknowledges that the agreements in this Section 13 are intended to be in full satisfaction of all or any alleged injuries or damages arising in connection with the Claims. In entering into this Agreement, each Credit Party expressly disclaims any reliance on any representations, acts, or omissions by any of the Released Parties and hereby agrees and acknowledges that the validity and effectiveness of the releases set forth above does not depend in any way on any such representation, acts and/or omissions or the accuracy, completeness, or validity thereof. The provisions of this Section 13 shall survive the termination or expiration of the Forbearance Period and the termination of the Credit Documents and the payment in full in cash of all Obligations of the Credit Parties under or in respect of the Credit Agreement and other Credit Documents and all other amounts owing thereunder.

[Reminder of page intentionally left blank]

IN WITNESS WHEREOF, each of the undersigned has executed this Agreement as of the date set forth above.

BORROWER:

CALIFORNIA RESOURCES CORPORATION

By: /s/ Marshall D. Smith
Name: Marshall D. Smith
Title: Senior Executive Vice President and Chief Financial Officer

OTHER CREDIT PARTIES:

CALIFORNIA HEAVY OIL, INC.
CALIFORNIA RESOURCES ELK HILLS, LLC
CALIFORNIA RESOURCES LONG BEACH, INC.
CALIFORNIA RESOURCES REAL ESTATE VENTURES, LLC
CALIFORNIA RESOURCES ROYALTY HOLDINGS, LLC
CALIFORNIA RESOURCES TIDELANDS, INC.
CALIFORNIA RESOURCES PETROLEUM CORPORATION
CALIFORNIA RESOURCES PRODUCTION CORPORATION
CRC CONSTRUCTION SERVICES, LLC
CRC MARKETING, INC.
CRC SERVICES, LLC
SOCAL HOLDING, LLC
SOUTHERN SAN JOAQUIN PRODUCTION, INC.
THUMS LONG BEACH COMPANY

By: /s/ Marshall D. Smith
Name: Marshall D. Smith
Title: Senior Executive Vice President and Chief Financial Officer

CALIFORNIA RESOURCES COLES LEVEE, LLC

By: /s/ Marshall D. Smith
Name: Marshall D. Smith
Title: Senior Executive Vice President and Chief Financial Officer

CALIFORNIA RESOURCES COLES LEVEE, L.P.

By: /s/ Marshall D. Smith
Name: Marshall D. Smith
Title: Senior Executive Vice President and Chief Financial Officer

CALIFORNIA RESOURCES WILMINGTON, LLC

By: /s/ Marshall D. Smith
Name: Marshall D. Smith
Title: Senior Executive Vice President and Chief Financial Officer of California Resources Tidelands, Inc., its sole member

TIDELANDS OIL PRODUCTION COMPANY LLC

By: /s/ Marshall D. Smith
Name: Marshall D. Smith
Title: Senior Executive Vice President and Chief Financial Officer

ADMINISTRATIVE AGENT AND LENDER:

JPMORGAN CHASE BANK, N.A.

By: /s/ Sandeep Parihar

Name: Sandeep Parihar

Title: Executive Director

[Signature Page to First Amendment to Forbearance Agreement (RBL)]

LENDER AND LETTER OF CREDIT ISSUER:

[*****]

[Signature Page to First Amendment to Forbearance Agreement (RBL)]

Certain portions of this exhibit (indicated by “[*****]”) have been omitted pursuant to Item 601(b)(10) of Regulation S-K.

FIRST AMENDMENT TO FORBEARANCE AGREEMENT

THIS FIRST AMENDMENT TO FORBEARANCE AGREEMENT (this “**Agreement**”) is entered into as of June 12, 2020, by and among **CALIFORNIA RESOURCES CORPORATION**, a Delaware corporation (the “**Borrower**”), the other Guarantors party hereto (the “**Guarantors**”), **THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A.**, as administrative agent for the Lenders (in such capacity, the “**Administrative Agent**”) and the Lenders party hereto (the “**Forbearing Lenders**”).

W I T N E S S E T H:

WHEREAS, the Borrower, the Forbearing Lenders and the Administrative Agent are parties to that certain Credit Agreement, dated as of August 12, 2016 (as amended, restated, supplemented or otherwise modified prior to the date hereof, the “**Credit Agreement**”);

WHEREAS, in connection with the Credit Agreement, the Borrower, the Administrative Agent and the Majority Lenders entered into that certain Forbearance Agreement dated as of June 2, 2020 (the “**Forbearance Agreement**”; unless otherwise defined herein, capitalized terms used herein that are not otherwise defined herein shall have the respective meanings assigned to such terms in the Forbearance Agreement or the Credit Agreement, as applicable); ; and

WHEREAS, subject to the terms and conditions set forth herein, the parties hereto wish to amend the Forbearance Agreement to, among other things, extend the Forbearance Termination Date.

NOW, THEREFORE, in consideration of the mutual agreements, provisions and covenants contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. Acknowledgments and Amendments.

(a) Each Credit Party acknowledges and agrees that (i) each Acknowledged Event of Default is material in nature and constitutes an Event of Default under the Credit Agreement, and (ii) as a result of the occurrence of such Events of Default, the Forbearing Lenders will, subject to the Forbearance Agreement, be entitled to accelerate the Obligations and to exercise all rights and remedies under the Credit Documents, applicable Law or otherwise, so long as such Acknowledged Event of Default is continuing. The Borrower further acknowledges and agrees that the Administrative Agent and Forbearing Lenders are not in any way agreeing to waive such Acknowledged Events of Default as a result of this Agreement or the performance by the parties of their respective obligations hereunder. Without limiting any other provision of this Agreement, each Credit Party further acknowledges and agrees that during the Forbearance Period and following any Forbearance Termination Event, Events of Default shall be continuing, and the Credit Parties shall not, and shall not permit any Subsidiary to, take or cause any Person to take any action that is conditioned on no Default or Event of Default existing at the time of, or immediately after giving effect to, the taking of such action.

(b) Clause (b) of the definition of “Forbearance Termination Date” is hereby amended by replacing the phrase “June 14, 2020 at 11:59 p.m. New York time” therein with the phrase “June 30, 2020 at 11:59 p.m. New York time”.

(c) Section 2(d)(vi) of the Forbearance Agreement is hereby amended by inserting the phrase “other than the cash payment in full of overdue interest on the Existing Senior Notes in an amount not more than \$4,400,000 on or before June 15, 2020” at the beginning thereof.

(d) Section 2(d)(ix) of the Forbearance Agreement is hereby amended by replacing the phrase “\$48,000,000” therein with the phrase “\$40,000,000”.

(e) Section 2(d)(xi) of the Forbearance Agreement is hereby amended by replacing the phrase “and Trimeric Corporation (“**Trimeric**”) (collectively, with Davis Polk, Evercore, Haynes and Boone, Cox Castle, Trimeric and any other professionals retained by the ad hoc Lender group represented by Davis Polk and Evercore (the “**Ad Hoc Lender Group**” and such professionals, the “**Ad Hoc Group Advisors**”)” with the phrase “, Trimeric Corporation (“**Trimeric**”), Cornerstone Engineering, Inc. (“**Cornerstone**”), Rapp & Krock, PC (“**Rapp & Krock**” and, collectively with Davis Polk, Evercore, Haynes and Boone, Cox Castle, Trimeric, Cornerstone and any other professionals retained by the ad hoc Lender group represented by Davis Polk and Evercore (the “**Ad Hoc Lender Group**” and such professionals, the “**Ad Hoc Group Advisors**”)”.

2. Conditions. The effectiveness of this Agreement is subject to the satisfaction of the following conditions precedent (the date on which such effectiveness occurs, the “**Amendment Effective Date**”):

(a) the Administrative Agent shall have received this Agreement duly executed by the Borrower, the Guarantors, the Administrative Agent and the Majority Lenders;

(b) the Administrative Agent shall have received a certificate of an Authorized Officer of the Borrower certifying that the representations and warranties of the Borrower set forth in Section 3 hereof are true and correct in all respects;

(c) the Administrative Agent and the Forbearing Lenders (and their respective advisors) shall have been paid all expenses required to be paid hereunder or under any other Credit Document to the extent invoiced at least two (2) Business Days prior to the Amendment Effective Date;

(d) the Administrative Agent shall have received executed amendments to the First Lien First Out Forbearance Agreement and the 2017 Term Loan Forbearance Agreement, in each case, in form and substance reasonably acceptable to the Administrative Agent and the Forbearing Lenders (and their respective advisors), which respective amendments shall provide for an extension of the “Forbearance Termination Date” thereunder to a date coterminous with the Forbearance Termination Date (as extended by this Agreement) and a reduction of the minimum aggregate book cash balances to \$40,000,000.

3. Representations and Warranties. Each Credit Party hereby represents and warrants to the Administrative Agent as of the Amendment Effective Date as follows:

(a) the execution, delivery and performance by each Credit Party of this Agreement: (i) are within such Person’s corporate, limited liability company or company power, as applicable; (ii) have been duly authorized or approved by all necessary corporate, exempted company, limited liability company or company action, as applicable; (iii) do not contravene, violate, conflict with, or cause a breach or default under any provision of such Person’s organization documents; (iv) do not violate any Laws, or any order or decree of any court or Governmental Authority in any material respect; (v) do not require the consent or approval of any Governmental Authority, except consents or approvals with or by any Governmental Authority which have already been obtained, taken, given or made; and (vi) do not result in the creation of any Lien on any property of such Credit Party;

(b) this Agreement has been duly executed and delivered by each Credit Party hereto and this Agreement constitutes a legal, valid and binding obligation of such Person enforceable against it

in accordance with its respective terms, except as enforceability may be limited by applicable bankruptcy, insolvency, fraudulent conveyance or similar Laws affecting the enforcement of creditors' rights generally or by equitable principles relating to enforceability;

(c) after giving effect to this Agreement and the transactions contemplated hereby, each representation or warranty by any Credit Party contained in the Credit Agreement and the other Credit Documents (other than the representations and warranties set forth in (x) Section 9.20 of the Credit Agreement as it relates to the Acknowledged Events of Default, (y) Section 9.15 of the Credit Agreement and (z) solely with respect to circumstances or conditions disclosed to the Administrative Agent or the Forbearing Lenders prior to the Forbearance Effective Date, Section 9.9(c) of the Credit Agreement) are true or correct in all material respects (unless such representations and warranties are already qualified by materiality, Material Adverse Effect or a similar qualification, in which case they are true and correct in all respects) on and as of the Amendment Effective Date with the same effect as though made on and as of such date (except where such representations and warranties expressly relate to an earlier date, in which case such representations and warranties shall have been true and correct in all material respects (unless such representations and warranties are already qualified by materiality, Material Adverse Effect or a similar qualification, in which case they are true and correct in all respects) as of such earlier date);

(d) no Default or Event of Default (other than the Acknowledged Events of Default) has occurred and is continuing or would result from the transactions contemplated by this Agreement;

(e) as of the date hereof, other than the First Lien First Out Forbearance Agreement and the 2017 Term Loan Forbearance Agreement, no Third Party Forbearance Agreement (as defined below) exists between any Credit Party and any party;

(f) as of the Amendment Effective Date, there has been no change (i) in any Credit Party's legal name or (ii) in the location of any Credit Party's chief executive office, its principal place of business, any office in which it maintains books or records relating to Collateral owned by it or any of its offices or facilities at which Collateral owned by it is located (including the establishment of any such new office or facility), in each instance other than changes which have previously been disclosed in writing to the Administrative Agent; and

(g) since the Forbearance Effective Date, no Forbearance Termination Event has occurred.

4. No Modification. Nothing contained herein shall be deemed to directly or indirectly, (a) create any obligation to continue to defer any enforcement action after the Forbearance Termination Date, (b) constitute a consent or waiver of any past, present or future violations, including Defaults and Events of Default, of any provisions of the Credit Agreement or any other Credit Documents, (c) constitute a waiver of compliance with any term or condition contained in the Credit Agreement or any of the other Credit Documents or (d) constitute a course of conduct or dealing among the parties for altering any Obligations or any other contract or instrument. Except as expressly stated herein, the Lenders and the Administrative Agent reserve all of their respective rights, privileges, remedies and powers under the Credit Agreement, the other Credit Documents, applicable Law and/or equity, including without limitation, any rights that the Lenders (including the Forbearing Lenders) may have to charge interest at the Default Rate under the terms of the Credit Agreement and/or the other Credit Documents. This Agreement shall not be deemed or construed to be a satisfaction, reinstatement, novation or release of the Credit Agreement or any other Credit Document. The Credit Agreement and other Credit Documents remain unmodified and in full force and effect. This Agreement shall constitute a Credit Document.

5. Counterparts. This Agreement may be executed in any number of counterparts and by different parties in separate counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one and the same agreement. Signature pages may be detached from multiple separate counterparts and attached to a single counterpart. Delivery of an executed signature page of this Agreement by facsimile transmission or electronic transmission shall be as effective as delivery of a manually executed counterpart hereof.

6. **GOVERNING LAW. THIS AGREEMENT IS SUBJECT TO THE PROVISIONS OF SECTIONS 14.12, 14.13 AND 14.15 OF THE CREDIT AGREEMENT RELATING TO GOVERNING LAW, SUBMISSION TO JURISDICTION AND WAIVERS OF JURY TRIAL, THE PROVISIONS OF WHICH ARE BY THIS REFERENCE INCORPORATED HEREIN IN FULL.**

7. Severability. Wherever possible, each provision of this Agreement shall be interpreted in such a manner as to be effective and valid under applicable Law, but if any provision of this Agreement shall be prohibited by or invalid under applicable Law, such provision shall be ineffective to the extent of such prohibition or invalidity, without invalidating the remainder of such provision or the remaining provisions of this Agreement.

8. Captions. The captions and headings of this Agreement are for convenience of reference only and shall not affect the interpretation of this Agreement.

9. Construction. This Agreement and all other agreements and documents executed and/or delivered in connection herewith have been prepared through the joint efforts of all of the parties hereto. Neither the provisions of this Agreement or any such other agreements and documents nor any alleged ambiguity therein shall be interpreted or resolved against any party on the ground that such party or its counsel drafted this Agreement or such other agreements and documents, or based on any other rule of strict construction. Each of the parties hereto represents and declares that such party has carefully read this Agreement and all other agreements and documents executed in connection therewith, and that such party knows the contents thereof and signs the same freely and voluntarily. The parties hereto acknowledge that they have been represented by legal counsel of their own choosing in negotiations for and preparation of this Agreement and all other agreements and documents executed in connection herewith and that each of them has read the same and had their contents fully explained by such counsel and is fully aware of their contents and legal effect.

10. Third Party Beneficiaries. This Agreement shall be binding upon and inure to the benefit of the parties hereto and thereto and their respective successors and assigns. No Person other than the Credit Parties, the Administrative Agent, the Forbearing Lenders and, in the case of Section 13 hereof, the Released Parties, shall have any rights hereunder or be entitled to rely on this Agreement and all third-party beneficiary rights (other than the rights of the Released Parties under Section 13 hereof) are hereby expressly disclaimed.

11. Majority Lender Direction. The Forbearing Lenders hereby (i) instruct the Administrative Agent to comply with this Agreement to the extent specified herein and to take the other actions (or refrain from acting), in each case, as expressly contemplated hereby and (ii) acknowledge and agree that (x) the direction set forth herein constitutes a direction from the Majority Lenders and the Required Lenders under the provisions of Article XIII of the Credit Agreement and (y) all sections of Article XIII of the Credit Agreement shall apply to any and all actions (and inactions) taken by the Administrative Agent in accordance with such direction.

12. **Reaffirmation.** By its signature set forth below, each Credit Party hereby ratifies and confirms to the Administrative Agent and the Lenders that, after giving effect to this Agreement and the transactions contemplated hereby, each of the Forbearance Agreement, the Credit Agreement, each Security Document and each other Credit Document to which such Credit Party is a party continues in full force and effect and is the legal, valid and binding obligation of such Credit Party, enforceable against such Credit Party in accordance with its terms, except as enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar Laws relating to or limiting creditors' rights generally or by equitable principles and each Credit Party hereby ratifies and confirms each such Credit Document. Except as expressly set forth herein, the execution of this Agreement shall not operate as a waiver of any right, power or remedy of the Administrative Agent or Lenders, constitute a waiver of any provision of any of the Credit Documents or serve to effect a novation of the Obligations. Each Credit Party (i) acknowledges receipt of a copy of this Agreement and all other agreements, documents and instruments executed and/or delivered in connection herewith, (ii) consents to the terms and conditions of same without prejudice to any Credit Party's liability pursuant to any of the Credit Documents, (iii) agrees and acknowledges that each of the Credit Documents remains in full force and effect, that such Credit Party's obligations thereunder are without defense, setoff and counterclaim and that each of the Credit Documents is hereby ratified and confirmed, and (iv) ratifies and reaffirms each waiver of such Credit Party set forth in the Credit Documents to which it is a party. Each Credit Party hereby acknowledges that it has reviewed and consents to the terms and conditions of this Agreement and the transactions contemplated hereby. In addition, each Credit Party reaffirms in all respects the security interests and Liens granted by such Credit Party in and to the Collateral under the terms and conditions of the Collateral Documents to secure the Obligations and agrees that such security interests and Liens remain in full force and effect and are hereby ratified, reaffirmed and confirmed in all respects.

13. **Releases.** By its execution hereof and in consideration of the mutual covenants contained herein and other accommodations granted to the Credit Parties hereunder, each Credit Party, on behalf of itself and each of its Subsidiaries, and its or their successors, assigns and agents, hereby expressly forever waives, releases and discharges any and all claims (including cross-claims, counterclaims, and rights of setoff and recoupment), causes of action (whether direct or derivative in nature), demands, suits, costs, expenses and damages (collectively, the "**Claims**") any of them may, as a result of actions or inactions occurring on or prior to the Amendment Effective Date, have or allege to have as of the date of this Agreement or at any time thereafter (and all defenses that may arise out of any of the foregoing) of any nature, description, or kind whatsoever, based in whole or in part on facts, whether actual, contingent or otherwise, now known, unknown, or subsequently discovered, whether arising in Law, at equity or otherwise, against the Administrative Agent or any Forbearing Lender, their respective affiliates, agents, principals, managers, managing members, members, stockholders, "controlling persons" (within the meaning of the United States federal securities laws), directors, officers, employees, attorneys, consultants, advisors, agents, trusts, trustors, beneficiaries, heirs, executors and administrators of each of the foregoing (collectively, the "**Released Parties**") arising out of, or relating to, this Agreement, the Credit Agreement, the Forbearance Agreement, the other Credit Documents and any or all of the actions and transactions contemplated hereby or thereby, including any actual or alleged performance or non-performance of any of the Released Parties hereunder or under the Credit Documents. Each Credit Party hereby acknowledges that the agreements in this Section 13 are intended to be in full satisfaction of all or any alleged injuries or damages arising in connection with the Claims. In entering into this Agreement, each Credit Party expressly disclaims any reliance on any representations, acts, or omissions by any of the Released Parties and hereby agrees and acknowledges that the validity and effectiveness of the releases set forth above does not depend in any way on any such representation, acts and/or omissions or the accuracy, completeness, or validity thereof. The provisions of this Section 13 shall survive the termination or expiration of the Forbearance Period and the termination of the Credit Documents and the payment in full in cash of all Obligations of the Credit Parties under or in respect of the Credit Agreement and other Credit Documents and all other amounts owing thereunder.

[Reminder of page intentionally left blank]

IN WITNESS WHEREOF, each of the undersigned has executed this Agreement as of the date set forth above.

BORROWER:

CALIFORNIA RESOURCES CORPORATION

By: /s/ Marshall D. Smith
Name: Marshall D. Smith
Title: Senior Executive Vice President and Chief Financial Officer

OTHER CREDIT PARTIES:

CALIFORNIA HEAVY OIL, INC.
CALIFORNIA RESOURCES ELK HILLS, LLC
CALIFORNIA RESOURCES LONG BEACH, INC.
CALIFORNIA RESOURCES REAL ESTATE VENTURES, LLC
CALIFORNIA RESOURCES ROYALTY HOLDINGS, LLC
CALIFORNIA RESOURCES TIDELANDS, INC.
CALIFORNIA RESOURCES PETROLEUM CORPORATION
CALIFORNIA RESOURCES PRODUCTION CORPORATION
CRC CONSTRUCTION SERVICES, LLC
CRC MARKETING, INC.
CRC SERVICES, LLC
SOCAL HOLDING, LLC
SOUTHERN SAN JOAQUIN PRODUCTION, INC.
THUMS LONG BEACH COMPANY

By: /s/ Marshall D. Smith
Name: Marshall D. Smith
Title: Senior Executive Vice President and Chief Financial Officer

CALIFORNIA RESOURCES COLES LEVEE, LLC

By: /s/ Marshall D. Smith
Name: Marshall D. Smith
Title: Senior Executive Vice President and Chief Financial Officer

CALIFORNIA RESOURCES COLES LEVEE, L.P.

By: /s/ Marshall D. Smith
Name: Marshall D. Smith
Title: Senior Executive Vice President and Chief Financial Officer

CALIFORNIA RESOURCES WILMINGTON, LLC

By: /s/ Marshall D. Smith
Name: Marshall D. Smith
Title: Senior Executive Vice President and Chief Financial Officer of California Resources Tidelands, Inc., its sole member

TIDELANDS OIL PRODUCTION COMPANY LLC

By: /s/ Marshall D. Smith
Name: Marshall D. Smith
Title: Senior Executive Vice President and Chief Financial Officer

ADMINISTRATIVE AGENT:

THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A.

By: /s/ Dennis J. Roemlein

Name: Dennis J. Roemlein

Title: Vice President

[Signature Page to First Amendment to Forbearance Agreement (1.5L)]

LENDER:

[*****]

[Signature Page to First Amendment to Forbearance Agreement (1.5L)]

Certain portions of this exhibit (indicated by “[*****]”) have been omitted pursuant to Item 601(b)(10) of Regulation S-K.

FIRST AMENDMENT TO FORBEARANCE AGREEMENT

THIS FIRST AMENDMENT TO FORBEARANCE AGREEMENT (this “**Agreement**”) is entered into as of June 12, 2020, by and among **CALIFORNIA RESOURCES CORPORATION**, a Delaware corporation (the “**Borrower**”), the other Guarantors party hereto (the “**Guarantors**”), **THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A.**, as administrative agent for the Lenders (in such capacity, the “**Administrative Agent**”) and the Lenders party hereto (the “**Forbearing Lenders**”).

W I T N E S S E T H:

WHEREAS, the Borrower, the Forbearing Lenders and the Administrative Agent are parties to that certain Credit Agreement, dated as of November 17, 2017 (as amended, restated, supplemented or otherwise modified prior to the date hereof, the “**Credit Agreement**”);

WHEREAS, in connection with the Credit Agreement, the Borrower, the Administrative Agent and the Majority Lenders entered into that certain Forbearance Agreement dated as of June 2, 2020 (the “**Forbearance Agreement**”; unless otherwise defined herein, capitalized terms used herein that are not otherwise defined herein shall have the respective meanings assigned to such terms in the Forbearance Agreement or the Credit Agreement, as applicable); and

WHEREAS, subject to the terms and conditions set forth herein, the parties hereto wish to amend the Forbearance Agreement to, among other things, extend the Forbearance Termination Date.

NOW, THEREFORE, in consideration of the mutual agreements, provisions and covenants contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. Acknowledgments and Amendments.

(a) Each Credit Party acknowledges and agrees that (i) each Acknowledged Event of Default is material in nature and constitutes an Event of Default under the Credit Agreement, and (ii) as a result of the occurrence of such Events of Default, the Forbearing Lenders will, subject to the Forbearance Agreement, be entitled to accelerate the Obligations and to exercise all rights and remedies under the Credit Documents, applicable Law or otherwise, so long as such Acknowledged Event of Default is continuing. The Borrower further acknowledges and agrees that the Administrative Agent and Forbearing Lenders are not in any way agreeing to waive such Acknowledged Events of Default as a result of this Agreement or the performance by the parties of their respective obligations hereunder. Without limiting any other provision of this Agreement, each Credit Party further acknowledges and agrees that during the Forbearance Period and following any Forbearance Termination Event, Events of Default shall be continuing, and the Credit Parties shall not, and shall not permit any Subsidiary to, take or cause any Person to take any action that is conditioned on no Default or Event of Default existing at the time of, or immediately after giving effect to, the taking of such action.

(b) Clause (b) of the definition of “Forbearance Termination Date” is hereby amended by replacing the phrase “June 14, 2020 at 11:59 p.m. New York time” therein with the phrase “June 30, 2020 at 11:59 p.m. New York time”.

(c) Section 2(d)(vi) of the Forbearance Agreement is hereby amended by inserting the phrase “other than the cash payment in full of overdue interest on the Existing Senior Notes in an amount not more than \$4,400,000 on or before June 15, 2020” at the beginning thereof.

(d) Section 2(d)(ix) of the Forbearance Agreement is hereby amended by replacing the phrase “\$48,000,000” therein with the phrase “\$40,000,000”.

(e) Section 2(d)(xi) of the Forbearance Agreement is hereby amended by replacing the phrase “and Trimeric Corporation (“**Trimeric**”) (collectively, with Davis Polk, Evercore, Haynes and Boone, Cox Castle, Trimeric and any other professionals retained by the ad hoc Lender group represented by Davis Polk and Evercore (the “**Ad Hoc Lender Group**” and such professionals, the “**Ad Hoc Group Advisors**”)” with the phrase “, Trimeric Corporation (“**Trimeric**”), Cornerstone Engineering, Inc. (“**Cornerstone**”), Rapp & Krock, PC (“**Rapp & Krock**” and, collectively with Davis Polk, Evercore, Haynes and Boone, Cox Castle, Trimeric, Cornerstone and any other professionals retained by the ad hoc Lender group represented by Davis Polk and Evercore (the “**Ad Hoc Lender Group**” and such professionals, the “**Ad Hoc Group Advisors**”)”.

2. Conditions. The effectiveness of this Agreement is subject to the satisfaction of the following conditions precedent (the date on which such effectiveness occurs, the “**Amendment Effective Date**”):

(a) the Administrative Agent shall have received this Agreement duly executed by the Borrower, the Guarantors, the Administrative Agent and the Majority Lenders;

(b) the Administrative Agent shall have received a certificate of an Authorized Officer of the Borrower certifying that the representations and warranties of the Borrower set forth in Section 3 hereof are true and correct in all respects;

(c) the Administrative Agent and the Forbearing Lenders (and their respective advisors) shall have been paid all expenses required to be paid hereunder or under any other Credit Document to the extent invoiced at least two (2) Business Days prior to the Amendment Effective Date;

(d) the Administrative Agent shall have received executed amendments to the First Lien First Out Forbearance Agreement and the 2016 Term Loan Forbearance Agreement, in each case in form and substance reasonably acceptable to the Administrative Agent and the Forbearing Lenders (and their respective advisors), which respective amendments shall provide for an extension of the “Forbearance Termination Date” thereunder to a date coterminous with the Forbearance Termination Date (as extended by this Agreement) and a reduction of the minimum aggregate book cash balances to \$40,000,000.

3. Representations and Warranties. Each Credit Party hereby represents and warrants to the Administrative Agent as of the Amendment Effective Date as follows:

(a) the execution, delivery and performance by each Credit Party of this Agreement: (i) are within such Person’s corporate, limited liability company or company power, as applicable; (ii) have been duly authorized or approved by all necessary corporate, exempted company, limited liability company or company action, as applicable; (iii) do not contravene, violate, conflict with, or cause a breach or default under any provision of such Person’s organization documents; (iv) do not violate any Laws, or any order or decree of any court or Governmental Authority in any material respect; (v) do not require the consent or approval of any Governmental Authority, except consents or approvals with or by any Governmental Authority which have already been obtained, taken, given or made; and (vi) do not result in the creation of any Lien on any property of such Credit Party;

(b) this Agreement has been duly executed and delivered by each Credit Party hereto and this Agreement constitutes a legal, valid and binding obligation of such Person enforceable against it in accordance with its respective terms, except as enforceability may be limited by applicable bankruptcy,

insolvency, fraudulent conveyance or similar Laws affecting the enforcement of creditors' rights generally or by equitable principles relating to enforceability;

(c) after giving effect to this Agreement and the transactions contemplated hereby, each representation or warranty by any Credit Party contained in the Credit Agreement and the other Credit Documents (other than the representations and warranties set forth in (x) Section 9.20 of the Credit Agreement as it relates to the Acknowledged Events of Default, (y) Section 9.15 of the Credit Agreement and (z) solely with respect to circumstances or conditions disclosed to the Administrative Agent or the Forbearing Lenders prior to the Forbearance Effective Date, Section 9.9(c) of the Credit Agreement) are true or correct in all material respects (unless such representations and warranties are already qualified by materiality, Material Adverse Effect or a similar qualification, in which case they are true and correct in all respects) on and as of the Amendment Effective Date with the same effect as though made on and as of such date (except where such representations and warranties expressly relate to an earlier date, in which case such representations and warranties shall have been true and correct in all material respects (unless such representations and warranties are already qualified by materiality, Material Adverse Effect or a similar qualification, in which case they are true and correct in all respects) as of such earlier date);

(d) no Default or Event of Default (other than the Acknowledged Events of Default) has occurred and is continuing or would result from the transactions contemplated by this Agreement;

(e) as of the date hereof, other than the First Lien First Out Forbearance Agreement and the 2016 Term Loan Forbearance Agreement, no Third Party Forbearance Agreement (as defined below) exists between any Credit Party and any party;

(f) as of the Amendment Effective Date, there has been no change (i) in any Credit Party's legal name or (ii) in the location of any Credit Party's chief executive office, its principal place of business, any office in which it maintains books or records relating to Collateral owned by it or any of its offices or facilities at which Collateral owned by it is located (including the establishment of any such new office or facility), in each instance other than changes which have previously been disclosed in writing to the Administrative Agent; and

(g) since the Forbearance Effective Date, no Forbearance Termination Event has occurred.

4. No Modification. Nothing contained herein shall be deemed to directly or indirectly, (a) create any obligation to continue to defer any enforcement action after the Forbearance Termination Date, (b) constitute a consent or waiver of any past, present or future violations, including Defaults and Events of Default, of any provisions of the Credit Agreement or any other Credit Documents, (c) constitute a waiver of compliance with any term or condition contained in the Credit Agreement or any of the other Credit Documents or (d) constitute a course of conduct or dealing among the parties for altering any Obligations or any other contract or instrument. Except as expressly stated herein, the Lenders and the Administrative Agent reserve all of their respective rights, privileges, remedies and powers under the Credit Agreement, the other Credit Documents, applicable Law and/or equity, including without limitation, any rights that the Lenders (including the Forbearing Lenders) may have to charge interest at the Default Rate under the terms of the Credit Agreement and/or the other Credit Documents. This Agreement shall not be deemed or construed to be a satisfaction, reinstatement, novation or release of the Credit Agreement or any other Credit Document. The Credit Agreement and other Credit Documents remain unmodified and in full force and effect. This Agreement shall constitute a Credit Document.

5. Counterparts. This Agreement may be executed in any number of counterparts and by different parties in separate counterparts, each of which when so executed shall be deemed to be an original

and all of which taken together shall constitute one and the same agreement. Signature pages may be detached from multiple separate counterparts and attached to a single counterpart. Delivery of an executed signature page of this Agreement by facsimile transmission or electronic transmission shall be as effective as delivery of a manually executed counterpart hereof.

6. **GOVERNING LAW.** THIS AGREEMENT IS SUBJECT TO THE PROVISIONS OF SECTIONS 14.12, 14.13 AND 14.15 OF THE CREDIT AGREEMENT RELATING TO GOVERNING LAW, SUBMISSION TO JURISDICTION AND WAIVERS OF JURY TRIAL, THE PROVISIONS OF WHICH ARE BY THIS REFERENCE INCORPORATED HEREIN IN FULL.

7. **Severability.** Wherever possible, each provision of this Agreement shall be interpreted in such a manner as to be effective and valid under applicable Law, but if any provision of this Agreement shall be prohibited by or invalid under applicable Law, such provision shall be ineffective to the extent of such prohibition or invalidity, without invalidating the remainder of such provision or the remaining provisions of this Agreement.

8. **Captions.** The captions and headings of this Agreement are for convenience of reference only and shall not affect the interpretation of this Agreement.

9. **Construction.** This Agreement and all other agreements and documents executed and/or delivered in connection herewith have been prepared through the joint efforts of all of the parties hereto. Neither the provisions of this Agreement or any such other agreements and documents nor any alleged ambiguity therein shall be interpreted or resolved against any party on the ground that such party or its counsel drafted this Agreement or such other agreements and documents, or based on any other rule of strict construction. Each of the parties hereto represents and declares that such party has carefully read this Agreement and all other agreements and documents executed in connection therewith, and that such party knows the contents thereof and signs the same freely and voluntarily. The parties hereto acknowledge that they have been represented by legal counsel of their own choosing in negotiations for and preparation of this Agreement and all other agreements and documents executed in connection herewith and that each of them has read the same and had their contents fully explained by such counsel and is fully aware of their contents and legal effect.

10. **Third Party Beneficiaries.** This Agreement shall be binding upon and inure to the benefit of the parties hereto and thereto and their respective successors and assigns. No Person other than the Credit Parties, the Administrative Agent, the Forbearing Lenders and, in the case of Section 13 hereof, the Released Parties, shall have any rights hereunder or be entitled to rely on this Agreement and all third-party beneficiary rights (other than the rights of the Released Parties under Section 13 hereof) are hereby expressly disclaimed.

11. **Majority Lender Direction.** The Forbearing Lenders hereby (i) instruct the Administrative Agent to comply with this Agreement to the extent specified herein and to take the other actions (or refrain from acting), in each case, as expressly contemplated hereby and (ii) acknowledge and agree that (x) the direction set forth herein constitutes a direction from the Majority Lenders and the Required Lenders under the provisions of Article XIII of the Credit Agreement and (y) all sections of Article XIII of the Credit Agreement shall apply to any and all actions (and inactions) taken by the Administrative Agent in accordance with such direction.

12. **Reaffirmation.** By its signature set forth below, each Credit Party hereby ratifies and confirms to the Administrative Agent and the Lenders that, after giving effect to this Agreement and the transactions contemplated hereby, each of the Forbearance Agreement, the Credit Agreement, each Security Document and each other Credit Document to which such Credit Party is a party continues in full force and

effect and is the legal, valid and binding obligation of such Credit Party, enforceable against such Credit Party in accordance with its terms, except as enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar Laws relating to or limiting creditors' rights generally or by equitable principles and each Credit Party hereby ratifies and confirms each such Credit Document. Except as expressly set forth herein, the execution of this Agreement shall not operate as a waiver of any right, power or remedy of the Administrative Agent or Lenders, constitute a waiver of any provision of any of the Credit Documents or serve to effect a novation of the Obligations. Each Credit Party (i) acknowledges receipt of a copy of this Agreement and all other agreements, documents and instruments executed and/or delivered in connection herewith, (ii) consents to the terms and conditions of same without prejudice to any Credit Party's liability pursuant to any of the Credit Documents, (iii) agrees and acknowledges that each of the Credit Documents remains in full force and effect, that such Credit Party's obligations thereunder are without defense, setoff and counterclaim and that each of the Credit Documents is hereby ratified and confirmed, and (iv) ratifies and reaffirms each waiver of such Credit Party set forth in the Credit Documents to which it is a party. Each Credit Party hereby acknowledges that it has reviewed and consents to the terms and conditions of this Agreement and the transactions contemplated hereby. In addition, each Credit Party reaffirms in all respects the security interests and Liens granted by such Credit Party in and to the Collateral under the terms and conditions of the Collateral Documents to secure the Obligations and agrees that such security interests and Liens remain in full force and effect and are hereby ratified, reaffirmed and confirmed in all respects.

13. Releases. By its execution hereof and in consideration of the mutual covenants contained herein and other accommodations granted to the Credit Parties hereunder, each Credit Party, on behalf of itself and each of its Subsidiaries, and its or their successors, assigns and agents, hereby expressly forever waives, releases and discharges any and all claims (including cross-claims, counterclaims, and rights of setoff and recoupment), causes of action (whether direct or derivative in nature), demands, suits, costs, expenses and damages (collectively, the "**Claims**") any of them may, as a result of actions or inactions occurring on or prior to the Amendment Effective Date, have or allege to have as of the date of this Agreement or at any time thereafter (and all defenses that may arise out of any of the foregoing) of any nature, description, or kind whatsoever, based in whole or in part on facts, whether actual, contingent or otherwise, now known, unknown, or subsequently discovered, whether arising in Law, at equity or otherwise, against the Administrative Agent or any Forbearing Lender, their respective affiliates, agents, principals, managers, managing members, members, stockholders, "controlling persons" (within the meaning of the United States federal securities laws), directors, officers, employees, attorneys, consultants, advisors, agents, trusts, trustors, beneficiaries, heirs, executors and administrators of each of the foregoing (collectively, the "**Released Parties**") arising out of, or relating to, this Agreement, the Credit Agreement, the Forbearance Agreement, the other Credit Documents and any or all of the actions and transactions contemplated hereby or thereby, including any actual or alleged performance or non-performance of any of the Released Parties hereunder or under the Credit Documents. Each Credit Party hereby acknowledges that the agreements in this Section 13 are intended to be in full satisfaction of all or any alleged injuries or damages arising in connection with the Claims. In entering into this Agreement, each Credit Party expressly disclaims any reliance on any representations, acts, or omissions by any of the Released Parties and hereby agrees and acknowledges that the validity and effectiveness of the releases set forth above does not depend in any way on any such representation, acts and/or omissions or the accuracy, completeness, or validity thereof. The provisions of this Section 13 shall survive the termination or expiration of the Forbearance Period and the termination of the Credit Documents and the payment in full in cash of all Obligations of the Credit Parties under or in respect of the Credit Agreement and other Credit Documents and all other amounts owing thereunder.

[Reminder of page intentionally left blank]

BORROWER:

CALIFORNIA RESOURCES CORPORATION

By: /s/ Marshall D. Smith
Name: Marshall D. Smith
Title: Senior Executive Vice President and Chief Financial Officer

OTHER CREDIT PARTIES:

CALIFORNIA HEAVY OIL, INC.
CALIFORNIA RESOURCES ELK HILLS, LLC
CALIFORNIA RESOURCES LONG BEACH, INC.
CALIFORNIA RESOURCES REAL ESTATE VENTURES, LLC
CALIFORNIA RESOURCES ROYALTY HOLDINGS, LLC
CALIFORNIA RESOURCES TIDELANDS, INC.
CALIFORNIA RESOURCES PETROLEUM CORPORATION
CALIFORNIA RESOURCES PRODUCTION CORPORATION
CRC CONSTRUCTION SERVICES, LLC
CRC MARKETING, INC.
CRC SERVICES, LLC
SOCAL HOLDING, LLC
SOUTHERN SAN JOAQUIN PRODUCTION, INC.
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By: /s/ Marshall D. Smith
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Title: Senior Executive Vice President and Chief Financial Officer

CALIFORNIA RESOURCES COLES LEVEE, LLC

By: /s/ Marshall D. Smith
Name: Marshall D. Smith
Title: Senior Executive Vice President and Chief Financial Officer

CALIFORNIA RESOURCES COLES LEVEE, L.P.

By: /s/ Marshall D. Smith
Name: Marshall D. Smith
Title: Senior Executive Vice President and Chief Financial Officer

CALIFORNIA RESOURCES WILMINGTON, LLC

By: /s/ Marshall D. Smith
Name: Marshall D. Smith
Title: Senior Executive Vice President and Chief Financial Officer of California Resources Tidelands, Inc., its sole member

TIDELANDS OIL PRODUCTION COMPANY LLC

By: /s/ Marshall D. Smith
Name: Marshall D. Smith
Title: Senior Executive Vice President and Chief Financial Officer

[Signature Page to First Amendment to Forbearance Amendment (1.25L)]

ADMINISTRATIVE AGENT:

THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A.

By: /s/ Dennis J. Roemlein

Name: Dennis J. Roemlein

Title: Vice President

[Signature Page to First Amendment to Forbearance Amendment (1.25L)]

LENDER:

[*****]

[Signature Page to First Amendment to Forbearance Amendment (1.25L)]